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September 7, 1981
TWO DOLLARS

Implement&Tractor

The business magazine of the farm & industrial equipment industry

High interest, reduced sales of new equipment. What's it doing to the used equipment business?

page 18

In the I&T Manufacturers Edition: Selecting the right hose for the job

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Intertec OLPK

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ABP A member of American Business Press

ABC A member of Audit Bureau of Circulation

ADVERTISING
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(Regional advertising sales offices
listed on ad index page.)

ADMINISTRATION
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IMPLEMENT & TRACTOR (USPS 461-750), with which is combined Farm Implement News, is published twice monthly except in January and March, when third issues are published, and in July and December, when one issue only is published, by INTERTEC PUBLISHING CORP., 9221 Quivira Rd., Overland Park, Ks. 66215 (a suburb of Kansas City, Mo.).

Subscription information: Implement & Tractor is edited for persons in the farm and industrial equipment industry who function in the areas of retail sales and service, distribution sales and service, marketing, engineering, financing, manufacturing and general management. Subscription prices to qualified subscribers: U.S. one year—$10, two years—$15; elsewhere including Canada, one year—$17, two years—$25. Subscription prices to all others: U.S. one year—$34, two years—$58; elsewhere including Canada, one year—$39; two years—$76. Single copies, $2, except Annual Statistical Number, $4; Product File issue, $5; Red Book issue, $5. Adjustment necessitated by subscription termination at single copy rate. Extra charge for service on back issues. Allow 6-8 weeks for change of address and new subscriptions.

INTERTEC PUBLISHING CORP.

September 7, 1981 • Vol. 96 • No. 18

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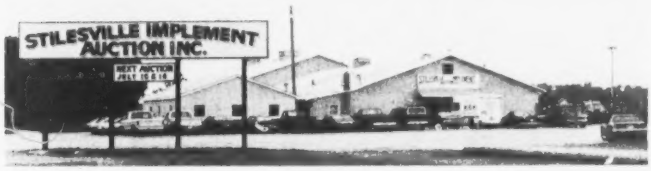
in this issue...

10: **PAMI Takes a Look at 10 Cultivators.** Canada's Prairie Agricultural Machinery Institute tested five heavy-duty and five field cultivators and found them O.K. But, each developed some problems.

12: **Testing Machines in the Field—It's Difficult.** Field evaluations of farm equipment must contend with an assortment of variables. But, each test procedure has a common goal—reliability.

18: **High Interest, Reduced New Equipment Sales: What Are They Doing to the Used Equipment Business?** Stilesville, Ind., auction operator Jim Vaughn reports buyers



are more conservative, and the supply of used equipment is dwindling, but some new markets are opening for him.

32: **How Many Dealers Have a REAL Marketing Philosophy?** It's a matter of matching up what your potential customers need most that you can supply most readily. Here are some guidelines to follow in determining just what it is you're in business to do.

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Second Class postage paid at Shawnee Mission, Ks. 66201.
Postmaster: Return Form 3579 to Implement & Tractor, P.O. Box 12901, Overland Park, Ks. 66212.

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what's ahead...

I&T SINCE 1886

September 7, 1981

FARM TRACTOR RETAIL SALES IN THE U.S. IMPROVED IN JULY, according to the Farm & Industrial Equipment Institute's flash report, rising 14.4 per cent over the unit volume recorded for July 1980. And July of 1980 was one of the few good months of 1980, almost 20 per cent better than July 1979. Most of the July 1981 increase is being attributed by industry watchers to manufacturers' inventory-cutting programs. Here's the full report:

Unit Retail Sales

	July			January-July		
	1981	1980	Pct. Change	1981	1980	Pct. Change
Farm Wheel Tractors:						
2-wheel drive						
40-100 hp	5,768	6,191	- 6.8	32,511	36,933	-12.0
Over 100 hp	4,853	3,381	+43.5	24,838	27,287	- 9.0
Total 2-wheel drive	10,621	9,572	+11.0	57,349	64,220	-10.7
4-wheel drive	1,015	603	+68.3	5,765	5,629	+ 2.4
Total Tractors	11,636	10,175	+14.4	63,114	69,849	- 9.6
Combines (S-P)	2,942	2,386	+23.3	10,655	9,487	+12.3
Balers*	3,095	3,098	- 0.1	9,137	9,013	+ 1.4
Forage Harvesters**	857	982	-12.7	3,110	3,775	-17.6
Mower Conditioners	3,367	3,224	+ 4.4	12,868	12,681	+ 1.5

*Bales under 200 lbs. **Shear-bar type.

MEANWHILE, CANADA'S STRONG SALES PICTURE CONTINUES. Farm tractor sales for July were up 16 per cent to 2,507 units and up 4.5 per cent for the first seven months to 16,558. Combine sales were up 47 per cent in June and 95 per cent in July; for the first seven months, they are up 70 per cent to 1,771 units. Reasons offered for the surge: Farmers have money, are thus less restrained by Canada's high interest rates. Crops look good. Prices are up. And the same manufacturers' inventory-cutting programs are available to Canadian as well as U.S. farmers. Western Canadian dealers had been carrying high inventories, but are currently glad they have them.

UNITED STATES FARMER COOPERATIVES have always played a role in retailing farm equipment. A study by the USDA Ag Cooperative Service indicates how much they did in 1979. Of 5,212 co-ops selling production inputs to farmers, 1,940 accounted for farm equipment sales of $405 million, for an average of $2.088 million. This represented an increase of 37 per cent over the volume done in 1977.

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